



Market and Trade Data

Eastern Caribbean Food Service Catches Tourism Wave

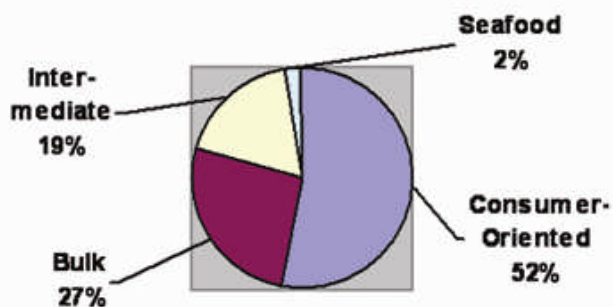
By Kay Logan

The United States exported about \$304 million worth of food, agricultural, and seafood products to the Eastern Caribbean in calendar 2006. Consumer-oriented agricultural products accounted for a little over half, bulk products 27 percent, intermediate products 19 percent, and seafood products 2 percent. These imports represent roughly a third of the market.

There is some domestic production, but the supply is insufficient for island inhabitants and at the mercy of uncertain weather, leaving residents to import food and agricultural products valued at \$995 million in 2005.

Of the imports, the HRI (hotel, restaurant, and institutional) sector buys 30-40 percent of the foods and beverages, while the remainder goes to the retail sector.

Exports of U.S. Food and Agricultural Products to the Eastern Caribbean by Category 2006



Eastern Caribbean Nations Prospering

In 2006, the GDP (gross domestic product) of the Eastern Caribbean nations ranged from \$29 million in Montserrat to almost \$21 billion in Trinidad and Tobago. GDP real growth rates ranged from 1 percent in Montserrat to 10.2 percent in Anguilla. Income levels ranged from \$3,400 in the developing island nations to as much as \$38,500 in the British Virgin Islands.

Tourism is the backbone of most of the Eastern Caribbean economies, accounting for half of the GDP in Antigua and Barbuda, and the British Virgin Islands. In 2006, more than 2.4 million overnight tourists visited the region spending \$2.7 billion, and tourist arrivals are expected to increase about 3 percent annually over the next several years. European tourists account for 32 percent of the stays, followed closely by the United States with 31 percent.

Agriculture accounts for just a small percentage of income due to scarce arable lands that produce mostly tropical fruits and vegetables, spices, root crops, cocoa, coffee, aloe vera, and cut flowers. Small food processing industries throughout the region process sauces, jams, jellies, fruit nectars, rum, and other alcoholic beverages. Larger food processors of meats and fish, pasta, baked and confectionery items, dairy products, fruits and vegetables, packaged and convenience foods, wheat flour, and edible oils and fats can be found on Trinidad and Barbados.

HRI Vibrant

Though tourism is the driving force, growth in financial services and higher education institutions are also growing island economies. Increased incomes and more women entering the workforce are also increasing transactions in the food service sector.

The food service sector was valued at \$727.5 million in 2005, with 85 percent of the establishments being independent and chains making up the rest. The hotel food service sector makes up about 65 percent of the total HRI market, followed by restaurants at 33 percent, and institutional trailing at 2 percent.

Trinidad and Tobago's food service sector accounted for 62 percent of sales in the Eastern Caribbean, followed by Barbados' 15 percent share. Together, the British Virgin Islands, St. Lucia, St. Vincent and the Grenadines, and Antigua and Barbuda accounted for 17 percent, while Grenada, Dominica, St. Kitts and Nevis, Anguilla, and Montserrat were responsible for the last 6 percent.

Business Size Affects Food Service Procurement

There is a range of procurement methods throughout the islands. The nations of Trinidad and Tobago, the British

Virgin Islands, St. Lucia, and Barbados account for 63 percent of tourist accommodations in the Eastern Caribbean and have the most large scale hotels and resorts that directly import as much as 95 percent of their food and beverage purchases from Florida-based suppliers. Some of the larger independent restaurants buy select food and beverage products directly from Miami-based wholesalers who consolidate shipments. Small islands close to Puerto Rico, St. Maarten, and St. Thomas often buy from importers on those islands.

For the rest of the food service and retail sectors, wholesalers and distributors serve as the principal intermediaries between suppliers and buyers, with HRI establishments buying about 70 percent of their food and beverage products from importer/distributors, 15 percent from local farmers and processors, 10 percent from local retail outlets, and just 5 percent from direct imports.

Many distributors have retail outlets, or "cash vans," in the smaller islands that sell to food service outlets. While the larger islands import a full range of products, in the smaller islands, imports consist mostly of dry goods, with only a small quantity of fresh and frozen products.

Institutional Sector Small

The institutional food service sub-sector accounts for less than 2 percent of the total HRI food service sector.

Governments usually award contracts for distribution to hospitals, schools, and prisons. These businesses tend to patronize mostly local farmers and food processors, going to importers only occasionally.

The islands have two unique niches worth checking out. The yacht community usually obtains food provisions from suppliers specializing in yacht provisioning and tends to prefer imported brand name products. Catered meals for land and offshore petroleum workers based in Trinidad and Tobago also offer opportunities.

Eastern Caribbean Region

For purposes of this article, Eastern Caribbean island nations include Anguilla, Antigua and Barbuda, Barbados, the British Virgin Islands, Dominica, Grenada, Montserrat, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, and Trinidad and Tobago.



Based on United Nations Map No. 3977 Rev. 3, July 2004

While caterers still buy mostly from local suppliers, some have begun importing foods and beverages directly from U.S. suppliers.

Best Prospects

These U.S. products stand to gain ground as tourism continues to fuel food and beverage demand:

- Snack foods
- Red meats (fresh, chilled, frozen, processed, and preserved)
- Fruit and vegetable juices
- Dairy products
- Fresh fruits and vegetables
- Processed fruits and vegetables
- Eggs and egg products
- Wines and beer
- Breakfast cereals
- Tree nuts ■

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